

TREASURER CHELLIS RELEASES NEWEST CREDIT RATING DATA FOR STATE

Credit Rating remains stable

(Columbia, SC). State Treasurer Converse Chellis released the latest credit rating from one of the country's three major credit rating agencies. In a detailed report, Standard & Poor's today informed the State Treasurer that it maintains and affirms the State's AA+/Stable rating.

"We are pleased that Standard & Poor's continues to give our State one of the highest ratings possible", said State Treasurer Converse Chellis.

Standard & Poor's report cites South Carolina's "recently improved financial performance and low debt levels" as positive indicators, but does mention some of this positive financial news is "somewhat offset by a rising unfunded pension liability and a substantial other post employment liability" (OPEB).

The report goes on to state, "The state's fiscal profile has improved over the last two fiscal years as the general fund operating surpluses in both fiscals 2005 and 2006 have increased the state's GAAP unreserved balance from a negative position to its highest level in the last five fiscal years. Much of this improvement results from revenues being above anticipated levels and the conscious effort on the state's part to build reserves."

The report does mention the \$10 billion unfunded liability in the state retirement plans and the effort by the State Treasurer to reduce that liability by addressing future cost-of-living adjustments for retirees.

Treasurer Chellis met with the three major credit rating agencies in New York last month to discuss the State's financial and economic status and initiatives in place for the coming fiscal year.

"In addition to Standard & Poor's, we expect to hear shortly from Moody's and Fitch as to their assessment of the the State's current financial status," said Chellis. Treasurer Chellis said, "Working to strengthen and enhance South Carolina's financial standing ought to be a priority of everyone in state government."

Both other rating agencies currently rate South Carolina General Obligation debt with AAA rating, the highest available.